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UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re

BLUE STAR DOUGHNUTS LLC,  
DBA BLUE STAR DONUTS,  
  
Debtor.

Case No. 20-32485-pcm11

Chapter 11

MOTION TO REOPEN CHAPTER 11  
CASE

Blue Star Doughnuts LLC, dba Blue Star Donuts (“**Reorganized Debtor**” or “**Debtor**”) hereby moves this Court (“**Motion**”) for entry of an order to reopen the above-captioned chapter 11 case (“**Case**”) pursuant to section 350(b) of title 11 of the United States Code (“**Bankruptcy Code**”), Rule 5010 of the Federal Rule of Bankruptcy Procedure (“**Bankruptcy Rules**”), and Local Bankruptcy Rule 5010-1, and respectfully states as follows:

**I. RELIEF REQUESTED**

1. The Motion seeks entry of an order reopening the Case.
2. Section 350(b) of the Bankruptcy Code provides that “[a] case may be reopened in the court in which such case was closed to administer assets, to accord relief to the debtor, or for other cause.”

3. Bankruptcy Rule 5010 provides that “[a] case may be reopened on the motion of the debtor or other party in interest pursuant to § 350(b) of the Code.”

4. Entry of an order reopening the case is necessary (i) to allow the Reorganized Debtor to enforce the Confirmation Order (defined below) against Morrison Development, LLC (“**Morrison**”), and (ii) to allow Micah Camden (“**Camden**”), a member of the Debtor, to defend the claims brought against him by Morrison in state court that are related to this Case before this Court for adjudication.

## II. JURISDICTION AND VENUE

5. The Court has jurisdiction over this matter pursuant to sections 157 and 1334 of title 28 of the United States Code (“**Judicial Code**”).

6. Venue is proper in this district pursuant to sections 1408 and 1409 of the Judicial Code.

## III. RELEVANT FACTS

7. On June 5, 2020, Morrison filed a complaint against the Debtor in the Circuit Court for the County of Multnomah, State of Oregon, Case No. 20CV19836 (“**Blue Star State Court Proceeding**”).

8. On August 26, 2020 (“**Petition Date**”), the Debtor filed its voluntary petition for relief under subchapter V of chapter 11 of the Bankruptcy Code. [Dkt. No. 1]

9. On November 22, 2020, the Debtor filed *Blue Star Doughnuts LLC’s Second Amended Chapter 11 Plan of Reorganization dated November 22, 2020* (“**Plan**”). [Dkt. No. 163]

10. On November 24, 2020, the court entered the *Order Confirming Debtor’s Second Amended Chapter 11 Plan of Reorganization* (“**Confirmation Order**”). [Dkt. No. 170]

11. On January 19, 2021, the Blue Star State Court Proceeding was dismissed with prejudice pursuant to a stipulated judgment between the Reorganized Debtor and Morrison, as directed under section 6.3 of the confirmed Plan (“**Stipulated Dismissal**”).

12. On February 4, 2021, the Court entered a *Final Decree* closing the Case (“**Final Decree**”). [Dkt. No. 184]

13. On February 5, 2021, one day following the entry of the Final Decree, Morrison filed a complaint against Camden in the Circuit Court for the County of Multnomah, State of Oregon, Case No. 21CV04369 (“**Camden State Court Proceeding**”).

14. The Debtor’s address is unchanged and is reflected on the court record.

#### **IV. BASIS FOR RELIEF REQUESTED**

15. The claims Morrison asserted against the Debtor in the Blue Star State Court Proceeding were fully released and extinguished through the confirmed Plan and the Stipulated Dismissal (“**Released Claims**”). *See* Plan, §§ 6.3.3, 6.3.4.

16. In the Camden State Court Proceeding, Morrison asserts claims against Camden under Oregon state law that are wholly derivative of the Released Claims.

17. By filing the Camden State Court Proceeding, Morrison has and continues to openly defy the discharge injunction in the confirmed Plan and the Confirmation Order entered by this Court. Plan, § 11.2.

18. When a debtor seeks to enforce a discharge injunction, “cause exists to reopen his bankruptcy case.” *In re Grihalva*, No. 11-26893, 2013 Bankr. LEXIS 4057, at \*11 (Bankr. D. Nev. Sep. 3, 2013).

19. Moreover, a bankruptcy court’s decision to reopen is “entirely within its sound discretion, based on the circumstances of each case.” *Curry v. Castillo (In re Castillo)*, 297 F.3d

940, 945 (9th Cir. 2002) (quoting *Elias v. Lisowski Law Firm, CHTD, (In re Elias)*, 215 B.R. 600, 604 (B.A.P. 9th Cir. 1997); internal quotation marks and additional citations omitted).

20. A copy of the Debtor's proposed order is attached hereto as **Exhibit A**.

## V. CONCLUSION

WHEREFORE, as sufficient cause exists under the circumstances, the Debtor respectfully requests that the case be reopened.

DATED: March 22, 2021.

STOEL RIVES LLP

/s/ Daniel R. Kubitz

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# Exhibit A

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Case No. 20-32485-pcm11

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ORDER TO REOPEN CHAPTER 11  
CASE

THIS MATTER having come before the Court on Reorganized Debtor's *Motion for Order to Reopen Chapter 11 Case* [Dkt. No. ●] ("**Motion**"), and the Court having duly considered the matter and finding good cause; NOW, THEREFORE,

IT IS HEREBY ORDERED as follows:

The Motion is GRANTED and the above-captioned bankruptcy case is reopened.

# # #

I certify that I have complied with LBR 9021-1.

Presented by:

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